Appendices
A, B, & C

APPENDIX A

Listing of Actions

This appendix provides a summary of the Customer Service Task Force's action items by category.

◆ Recommendations that OSFA can implement;

◆ Recommendations that may require legislative change; and

◆ Recommendations that may require regulatory and/or policy decisions.

Each action item begins with a three-letter code that identifies the team and is followed by a tracking number.

Segment Code	Segment
STU	Students
SCH	Schools
PAR	Partners
EMP	Employees

◆ *Recommendations that OSFA can implement*

ACTION #	DESCRIPTION OF ACTION
STU001	Provide Early Awareness information to students and their families so they can plan for postsecondary education early. Create an Office of Student Financial Assistance (OSFA) web site that links to the "Think College Early" web site that students and parents can use to plan investments in education. It will tell them the cost of becoming anything from a lawyer to a cosmetologist and what income to expect. It will also have financing options, tips for saving, and student loan debt management counseling. Download it free and use it at home. Include appropriate disclosure and privacy and security measures.
STU002	Link the "Think College Early" web site to other web sites used by students, parents, teachers, and career counselors. Hotlink it to sites of postsec-

ACTION #	DESCRIPTION OF ACTION
	ondary institutions, lenders, guaranty agencies, and other federal agencies to provide consumer protection information, loan repayment calculation models, Department of Labor (DOL) job and income data, college job placement rates, and other relevant information. Provide access to free financial planners on the web subject to the Office of the General Counsel (OGC) concurrence. Include appropriate disclosure and privacy and security measures.
STU004	Teach local, state, and federal agencies, non-profit, community, and national organizations about financial aid.
STU005	Get help from media organizations to target specific populations, including non-traditional student groups.
STU007	Let students and their families choose the communication method that is best for them. Don't forget people without computers. Use the Internet as much as possible, but also provide plain language pamphlets and toll-free phone service.
STU008	Get Internet Service Providers (ISP), schools, and outreach partners to create electronic web site links to the OSFA home page.
STU009	Put OSFA web site links on various web site banners, subject to OGC concurrence.
STU010	Create a communication department within OSFA to handle all forms of information dissemination for all customer segments in coordination with the Department of Education (ED) public affairs office.
STU011	Partner with the National Association of Student Financial Aid Administrators (NASFAA) and state agencies to help develop a "speakers bureau" of student financial aid professionals, including high school guidance counselors, who can go to career days, Parent Teacher Association (PTA) meetings, middle schools, and high schools.
STU012	Expand initiatives with cultural and language organizations to help translate OSFA information into foreign languages (recognize different cultures within language segments). Copy the

ACTION #	DESCRIPTION OF ACTION
	best of what other agencies and companies do to communicate in foreign languages.
STU013	Partner with schools and other organizations to help student aid applicants with special needs, (e.g., returning non-traditional students, welfare to work, and returning veterans).
STU014	Get financial aid information to youth who are in detention centers, and to their parents.
STU015	Develop and distribute videos on postsecondary education and financial aid to students who don't go to school (i.e. home-schooled or disabled).
STU016	Sponsor an annual workshop to promote out-reach partnership and activities such as aid awareness and application assistance.
STU017	Organize "volunteers" to help people apply for aid (e.g., service organizations, student groups, retired people, high school, proprietary school, community college, and four-year college person-nel). Offer incentives to postsecondary students who participate in assisting other students.
STU018	Partner with TRIO, GEAR-UP, the Office of Elementary and Secondary Education, the Office of Bilingual Education and Minority Languages Affairs (OBEMLA), the Office of Vocational and Adult Education, and other ED offices to dissem-inate financial aid information and help students complete the application process. Additionally, partner with non-ED offices such as the American Council on Education, the College Board, and NASFAA.
STU021	Partner with colleges to build software that transfers admissions application data into FAFSA on the Web, like the commercial software that Cal State and schools in New York use.
STU022	Get people to use the electronic FAFSA instead of paper. Issue Personal Identification Numbers (PINs) so students can correct FAFSA errors through the Internet.
STU023	Simplify FAFSA renewal: OSFA will fill out the forms, so students can simply sign and return them if there are no changes.
STU024	Let students list all the schools they are applying to on the FAFSA.

ACTION #	DESCRIPTION OF ACTION
STU025	Notify students when their FAFSAs have been received, and again when processing is completed.
STU027	Scrap the *Student Aid Report* (SAR) in its current format. Instead, send student applicants a plain language letter that clearly explains what's next, details the information they provided, and explains how to correct any FAFSA errors.
STU028	Include language on the SAR that reinforces the role of taxpayer dollars in student aid.
STU029	Test all annual changes to the FAFSA with focus groups consisting of secondary and postsecondary students and their parents.
STU030	Test all changes to the Direct Consolidation Loan application forms with focus groups consisting of Direct Loan and Federal Family Educational Loan (FFEL) borrowers.
STU031	Make the 1-800-4FED-AID number more visible on the FAFSA and clearly identify that the number is OSFA and not the student's school financial aid office.
STU032	Highlight general deadlines (i.e. application deadline, school deadline, and state deadline) in the student financial aid application process. Display the information in a chart or table.
STU033	Redesign the FAFSA to offer a "check-off block" to indicate special circumstances (e.g., reduced income or dependency issues).
STU034	Continually collect complaints, compliments, and customer ideas for improving the financial aid process. Hold the Student Ombudsman office and the Student Channel General Manager accountable for using the feedback to improve aid delivery and repayment processes.
STU036	Establish one toll-free number for student customer service. Make account information on loan balances, payment histories, and other general account information available 24 hours a day, 7 days a week.
STU037	Give phone operators the best technology to serve students, such as "screen pop" and anticipatory call center technology.
STU038	Provide information in accessible formats to meet special needs. Include a statement on all

ACTION #	DESCRIPTION OF ACTION
	printed materials that advises the reader that the information can be provided in other formats upon request.
STU039	Create a global one-stop shopping customer service department for teletype writer for the deaf (TTY).
STU040	Host an OSFA chat room with financial aid experts on-line to assist customers.
STU041	Conduct structured and representative focus groups on a regular basis to validate the services provided by OSFA and its partners.
STU045	Offer "entrance" and "exit" counseling more frequently and in plain language.
STU051	Subject to appropriate security measures, provide borrowers 24-hour access to their account information through a choice of the web or a toll-free call.
STU052	Include FFEL information on the OSFA web site. Include all the current Direct Consolidation forms and permit electronic submission.
STU053	Offer debt counseling to borrowers in the Debt Collection Service (DCS) loan portfolio as a service.
SCH001	Assign each school an account manager who will be part of a Customer Service Team with the know-how and authority to solve problems. Align the organization into channels around customer segments.
SCH002	Customer Service Teams will expand current activities to provide one-on-one training and technical assistance to high-risk schools.
SCH003	Expand current initiatives to help non-compliant schools and schools on reimbursement with an action plan to improve their management of Title IV programs.
SCH004	Assign more OSFA people to give schools technical assistance in all programs.
SCH005	Replace the Information for Financial Aid Professionals (IFAP) web site with a more sophisticated and robust web site. Make the "what's new" area on IFAP more visible, and replace or upgrade the IFAP search engine.
SCH006	Survey schools to determine when they need

ACTION #	DESCRIPTION OF ACTION
	training.
SCH007	Put the right OSFA people into the right jobs with the right skills.
SCH008	Provide presentation skills development to all OSFA staff who make presentations or who do training.
SCH009	Require professional development for OSFA trainers and other staff who make presentations.
SCH010	Provide resources and incentives to encourage professional development for OSFA trainers (meetings, training, professional journals). Make professional development an employee evaluation issue.
SCH011	Expand current initiatives for new schools including: ❖ A check list of steps to become eligible; ❖ Instructions on how to begin drawing funds; ❖ On-site technical assistance to meet our requirements (upon request); and ❖ An invitation to the regional office to meet the staff.
SCH012	Integrate all OSFA databases, and give schools appropriate access within Privacy Act constraints and with appropriate security measures.
SCH014	Give all schools a cost-free way to contact OSFA.
SCH015	Coordinate the distribution of timely, internal operating procedures used by OSFA staff and schools in the delivery of student financial aid.
SCH016	Have a stable cycle for systems changes. Reduce or eliminate crises-generated "quick fixes" that require extensive school reprogramming.
SCH017	Encourage all schools to use the web to get publications, but make printed publications available to schools who do not have Internet access. Survey schools to determine when they need publications and deliver them on time.
SCH018	Post the publication calendar on the OSFA web site, and get public feedback.
SCH019	Expand current mailing lists to include administrative offices, branch campuses and OSFA related entities such as TRIO.
SCH020	Allow schools to download all OSFA software

ACTION #	DESCRIPTION OF ACTION
	and materials through the OSFA web site.
SCH021	In collaboration with the Department, provide school access to appropriate OSFA-held loan data (Direct Loans and Debt Collection Service) within Privacy Act constraints.
SCH022	Within appropriate security measures, partner with the National Student Loan Clearinghouse and other databases. Explore the possibility of Direct Loan schools supporting the Clearinghouse.
SCH023	Complete the integration of all databases used to track audits and financial statements. Eliminate duplicative and conflicting information.
SCH032	Give auditors all relevant publications, including the most up-to-date audit guide.
SCH033	Train Title IV auditors.
SCH034	Work with the Office of the Inspector General (OIG) to increase the confidence in annual audits.
SCH045	Establish Partnership Council Teams, made up of frontline school and OSFA employees, and senior OSFA leadership to:

❖ Establish, with our schools, guiding principles of quality customer service;

❖ Emphasize OSFA's commitment to training and technical assistance for schools;

❖ Share performance data for benchmarking purposes; and

❖ Ensure delivery of quality customer service to populations that are under-served by OSFA programs (e.g., bilingual populations).

Subcommittees will address specific issues to improve service to students; for example, reducing defaults, standardizing forms, and other common program issues.

| SCH046 | Create a unit within OSFA to survey customers on product and service needs. Use the feedback to develop and improve OSFA products and services. This unit would perform or support: |

❖ **Research & Development** to promote best in business practices;

❖ **Product Development** to test new product prototypes and incorporate customer feedback into the product design;

ACTION #	DESCRIPTION OF ACTION
	❖ **Outreach** to raise awareness of OSFA's products and services and build partnerships for product and service delivery; and
	❖ **Planning** to focus OSFA's efforts on anticipating and satisfying customer needs.
SCH047	Have system users (external and internal):
	❖ Tell us what system changes they want;
	❖ Review new system change(s); and
	❖ Give feedback on the outputs of each system change.
SCH048	Work with other federal agencies (e.g., Veterans Affairs, Treasury Department, Social Security Administration, General Accounting Office (GAO), and Congress) to improve customer service.
SCH049	Have a position in OSFA for a "School Official in Residence" on a rotating basis. Use school personnel from the Financial Aid, Business, and Data Processing offices.
SCH050	Invite members of the community to speak at OSFA all-hands employee meetings to give their perspective on OSFA's performance. Make videotapes of the presentations available to the regional offices.
SCH051	Expand current initiatives to partner with the Puerto Rico education entities, schools, and partners to identify and address the needs of the community.
SCH052	Look into translating more ED publications into Spanish and posting them on a Spanish web page. See if there is a need to publish in other languages.
SCH053	Involve schools in operational decisions to assess impact. Test changes with schools before implementing.
SCH056	Continue to use the Customer Service Task Force web site and feedback pages or a similar site to capture customer feedback. Use this method with other existing feedback sources.
SCH057	Hold structured and representative focus groups regularly to validate the services OSFA provides.
SCH058	Create an ongoing user-friendly customer service feedback system any place OSFA has an Integrated Voice Response Unit (IVRU).

Action #	Description of Action
SCH059	Commit to a policy that *any* complaint from schools will be addressed promptly.
SCH060	Partner with schools to develop a Knowledge Management process so they can share ideas and information. Keep the information in a common database; a "library" of information for schools to access. Include appropriate disclaimers that ED has not reviewed and approved the information.
SCH061	Create an exchange program between OSFA, schools, and OSFA servicing offices (e.g., the Contracts and Purchasing Operations) where school employees would work at OSFA and OSFA employees could do the same at a school's site.
SCH062	Get schools to provide technical assistance to other schools in a mentoring program. Partner with NASFAA and build upon their mentoring initiative.
SCH065	Include qualified school personnel in our pool of trainers. Expand the network of institutional trainers.
SCH066	Increase training delivery by using:

SCH066 (continued):

- ❖ Video-conferencing;
- ❖ Training videos accessible by mail or Internet;
- ❖ Web-based training; and
- ❖ Interactive web-based training.

Examine the possibility of an OSFA syndicated television program.

SCH067	Ask schools what training they want and provide it.
PAR001	Establish Partnership Council Teams, with guaranty agencies and lenders to:

PAR001 (continued):

- ❖ Develop and implement guiding principles of quality customer service for students;
- ❖ Develop training and technical assistance materials for OSFA and partners to use in educating their customers and clients on student aid;
- ❖ Define, develop, and share performance data for benchmarking purposes; and
- ❖ Address issues to improve service to students through specialized subcommittees to reduce defaults, standardize forms, and other common program issues.

ACTION #	DESCRIPTION OF ACTION
	Partnership Council Teams will be based upon trust.
PAR003	When possible, work jointly with partners and get buy-in before issuing "Dear Partner" letters to announce operational changes.
PAR004	Continue to use the Customer Service Task Force web site and feedback pages or a similar site to capture customer feedback. Use this method with other existing feedback sources.
PAR005	Have system users: ❖ Tell us what system changes they want; ❖ Review new system change(s); and ❖ Give feedback on the outputs of each system change.
PAR006	Conduct structured and representative focus groups on a regular basis to validate the service provided by OSFA and its partners.
PAR007	Using consistent sources (e.g., web site, press releases, "Dear Partner" letters) release information promptly about progress toward the PBO, changes to products, and other information.
PAR008	Immediately tell employees and contractors about system updates.
PAR009	Assign each partner a Customer Service Team with the know-how and authority to solve problems. Organize around customer segments.
PAR010	Partner with the Puerto Rico education entities to identify and address the needs of the community.
PAR015	Create a rapid response team to quickly and effectively identify and address serious administrative problems.
PAR022	Begin acquisition planning as early as possible.
PAR023	Structure Requests For Proposals (RFPs) so they emphasize results versus process.
PAR024	Tailor evaluation criteria to the needs defined in the acquisition planning.
PAR025	Include interested bidders early in the acquisition process, before OSFA develops a draft RFP. Invite interested bidders to propose RFP content, including evaluation criteria.
PAR026	Release Requests For Information (RFIs) earlier, allowing for more rounds of comments.

Action #	Description of Action
PAR027	Have OSFA staff from each channel develop outcome-based performance standards early in the procurement process.
PAR028	Build in incentives and consequences based on performance linked to customer satisfaction. Implement these performance standards across all contracts affecting the same customer segment.
PAR029	Build in adequate time for system testing and enhancements.
PAR030	Coordinate contract implementation period with RFP respondents.
PAR031	Offer "performance-based contracting" classes to all OSFA employees who routinely work with contractors.
PAR032	Offer basic contract administration classes to all OSFA employees and their managers who work with contractors.
PAR033	Empower Contracting Officers Technical Representatives (COTRs) and on-site monitors to make decisions affecting day-to-day program operations.
PAR034	Develop a Team Certification Program where business process owner, COTR, and Contracting Officer (CO) learn to work together.
PAR035	Delegate acceptance/rejection authority from the COTR to employees who receive contractor products and outputs.
PAR036	Hold monthly review meetings between the business process owner, the COTR, the CO, and the contractor. Hold joint meetings with interlocking contractors.
PAR037	Give student borrowers debt management information electronically and in paper.
PAR038	Include information on the ed.gov web site regarding both Direct Loan and FFEL consolidation options subject to appropriate disclosure and privacy and security measures.
PAR040	Get community-based organizations to "volunteer" to help people apply for aid. Offer incentives to postsecondary students who participate in assisting other students. This could be for all customer segments, English speaking, Limited English Proficient (LEP) and people with disabilities.

ACTION #	DESCRIPTION OF ACTION
PAR041	Work with other federal agencies (Veterans Affairs, Treasury Department, and Social Security Administration) to improve customer service.
PAR042	In collaboration with the Department, make sure that procedures, policies, and regulations get to partners in a timely manner.
PAR043	Give guarantors access to all the information in NSLDS, subject to Privacy Act considerations and appropriate security measures.
PAR044	Examine the possibility of letting GAs and lenders update information for NSLDS on-line, subject to Privacy Act considerations and appropriate security measures.
PAR045	Give guarantors Dun and Bradstreet (DUNS) numbers electronically, so they can update their participant databases.
PAR046	In cooperation with guarantors, develop electronic payment/reporting systems.
PAR047	Work with lenders to develop a streamlined, electronic process of submitting the quarterly report (799 report).
PAR048	Once lenders have the electronic reporting process, explore monthly instead of quarterly reporting.
PAR050	Let states incorporate their state student grant application form or process into FAFSA on the Web.
EMP001	Develop a meaningful mission statement. Clearly align each employee's job duties to the mission statement.
EMP002	Affirm employee support for OSFA's mission through a Rights and Responsibilities Contract distributed to all employees, partners, and customers.
EMP003	Focus leadership performance standards on customer and employee satisfaction rather than process and administrative tasks. Managers will empower employees to deliver the best customer service.
EMP004	Subject to compliance with applicable personnel requirements, rotate middle and executive level leaders among channels to expand their under-

ACTION #	DESCRIPTION OF ACTION

standing of how the organization satisfies the mission.

EMP006 Publish a booklet annually of OSFA achievements based on input from our customers and partners.

EMP007 Implement first class program management by:

- ❖ Identifying potential issues and ensuring decisive and timely resolution;
- ❖ Establishing process cycles that ensure cycles are properly integrated;
- ❖ Identifying customer needs and incorporating them into the program processes; and
- ❖ Continuously assessing programs, evaluating current activities, and examining the impact of changes to maximize customer satisfaction.

EMP008 Give awards to employees and teams who take steps that dramatically move OSFA toward a PBO by:

- ❖ Reinforcing OSFA values;
- ❖ Encouraging desirable behaviors that OSFA and their customers value;
- ❖ Rewarding achieving clearly defined outcomes rather than following procedures;
- ❖ Encouraging risk taking and experimentation;
- ❖ Motivating employees to want to do a good job;
- ❖ Recognizing teams as well as individuals;
- ❖ Recognizing that many employees are not motivated solely by monetary awards;
- ❖ Allowing employees to define and receive the incentives and rewards they value;
- ❖ Making a variety of awards possible for all employees rather than a limited number available to only a select few;
- ❖ Making awards fast, flexible, and simple to use so that managers can reward employees creatively and in a timely manner;
- ❖ Celebrating small and large accomplishments;
- ❖ Encouraging employees to excel in their areas of expertise by OSFA "University" conferring master teacher status on employees; and

ACTION #	DESCRIPTION OF ACTION
	❖ Encouraging managers to reward employees based on internal and external customer feed-back.
EMP009	Create the OSFA "University," based on best in business corporate universities such as the Disney University, Motorola University, Bank of Montreal Institute for Learning, and the Tennessee Valley Authority's TVA University.
EMP010	Provide quality education at OSFA "University" in partnership with postsecondary institutions, consultants, and others.
EMP011	Offer competency-based training for all job classifi-cations at OSFA "University." Include specialized leadership training, mandatory for all managers. Promote leadership by encouraging all employees to participate in the leadership training.
EMP012	Create a skills database modeled on best in busi-ness skills assessment at OSFA "University."
EMP013	Through OSFA "University," give each employee a skills assessment and updated Individual Development Plan (IDP) at least annually. Compare the Skills Database required competen-cies with the employee's skills.
EMP014	Make all core and job-related training at OSFA "University" competency-based, e.g., the employ-ee can demonstrate proficiency in the content.
EMP015	Incorporate employee feedback in developing all OSFA "University" curricula, including defining competencies, delivery methods, and scheduling.
EMP016	Have OSFA "University" establish an exchange and shadowing program between OSFA and part-ner organizations to promote learning.
EMP017	Create a position at OSFA "University" for a "School Official in Residence." Rotate among top performing postsecondary institutions. Use per-sonnel from the Financial Aid, Business, and Data Processing offices.
EMP018	Have OSFA "University" maintain a directory of mentors through the skills database. Include OSFA employees, and retirees who demonstrate mastery in their skill area.
EMP019	Encourage the exchange of information across regional and divisional lines through OSFA "University."

ACTION #	DESCRIPTION OF ACTION
EMP020	Give employees access to all of the information they need to answer customer questions and resolve customer issues in one contact.
EMP021	Give front line employees the authority and accountability to satisfy employee service needs.
EMP022	Ask employees what they need (hardware, software, and other equipment) to serve customers.
EMP025	Give each employee a defined career ladder or career path to motivate each employee to succeed.
EMP026	Create a "technical" career path to advance highly skilled employees who do not want to enter management.
EMP027	Use the skills database to fill vacancies with OSFA employees.
EMP028	Encourage risk taking (within government ethics and legal guidelines) that is done to improve customer service. Acknowledge mistakes as a part of the learning process.
EMP029	Move toward self-managed work teams who control their resources, including staffing. Empower employees to make decisions. When possible, implement a policy of "you write it, you sign it" to encourage ownership.
EMP030	Measure individual and team performance against goals and objectives. Link rewards and consequences to employee actions.
EMP031	Let teams search for the best deals in the marketplace. Build in consequences for overspending to increase accountability.
EMP032	Develop a continuous feedback system for collecting suggestions, complaints, and compliments from customers, partners, and employees.
EMP033	Create an "Employee Ideas Advocate." Get employees to submit ideas for improving service, reducing costs, and improving customer satisfaction. Employees can use the system to track the response of OSFA leadership to their ideas.
EMP034	Each OSFA employee from the COO down will spend time on the front line serving customers and soliciting customer feedback.
EMP035	Encourage managers to conduct exit interviews with employees leaving OSFA to find out why employees leave OSFA.

ACTION #	DESCRIPTION OF ACTION
EMP036	Establish a system to provide personalized feedback to employees regarding meeting the needs of the customer.
EMP037	Continue the listening sessions with customers and employees which were started by the task force. Get OSFA managers at all levels to read the listening session notes to become more aware of employee and customer issues.
EMP038	Provide a healthy and safe workplace that reinforces the value of OSFA employees.
EMP039	Meet the needs of disabled OSFA employees.
EMP042	Get managers to use flexible workplace and flexible schedule arrangements as workload management tools.
EMP044	Provide employees easy access to OSFA and ED information through a single Intranet entry point.
EMP045	Get OSFA employees involved in the ED volunteer incentive program in which time spent volunteering is matched in annual/ administrative leave in accordance with standards set by ED.
EMP046	Celebrate employee accomplishments and also monumental service anniversaries.
EMP047	Look into low cost day care opportunities for employees. Consider a drop-in day care on days school is closed but the agency is open.
EMP048	Work with the Employee Assistance Program (EAP) to increase the outreach of stress-management support mechanisms.
EMP050	Provide OSFA employees with career transition counselors to assist non-retirement eligible employees leaving OSFA in finding other jobs. Career transition counselors would work closely with the Training and Development Center (TDC) to partner with other federal agencies, state and local governments, and private industry to place these employees in other jobs.
EMP051	Get more students to work in OSFA offices when school is out.

◆ *Recommendations that may require regulatory and/or policy decisions*

These recommendations are being forwarded to the Secretary for consideration

ACTION #	DESCRIPTION OF ACTION
STU003	Subject to OGC concurrence, partner with organizations that interact with the general population, like the Postal Service, the Department of Motor Vehicles (DMV), and fast food restaurants, to help get our word out.
STU006	Subject to OGC concurrence, get community organizations, cultural organizations, lenders, guaranty agencies, and other businesses to disseminate student aid information to their customers.
STU019	Redesign the FAFSA and loan consolidation applications to make them simple and user- friendly.
STU020	Partner with tax preparers and tax software developers to create products that put Form 1040 tax data into FAFSA on the Web.
STU026	Subject to appropriate disclosures and privacy and security measures, work with the Internal Revenue Service (IRS) to effectively implement matching ED data with IRS data.
STU035	Collaborate with students, schools and financial institutions to revise the Student Bill of Rights and Responsibilities to be distributed with every OSFA publication. Among other things, the Student Bill of Rights and Responsibilities will affirm the timely, courteous, knowledgeable, and fair treatment students can expect to receive from OSFA and its partners.
STU042	Give Title IV federal loan borrowers flexible and practical payment options, including debit cards, electronic debit, and credit card payments.
STU043	Use existing authority to cut interest rates for Title IV federal loan borrowers who consistently pay on time or who use repayment methods that reduce OSFA's costs.
STU044	Explore payment options that could eliminate defaults, like allowing Title IV federal loan borrowers to repay their loans through salary withholdings.

ACTION #	DESCRIPTION OF ACTION
STU047	Work with employees of the Debt Collection Service (DCS) operations to find ways to make it more effective, less costly, and customer service oriented.
STU048	Give Direct Loan borrowers a choice of how to apply overpayments to Direct Loan accounts.
STU050	Process forbearance and deferment requests like the best in business do.
STU054	In collaboration with the Department, give the Office of Student Financial Assistance a new name that preserves the tradition of helping to put America through school and celebrates the new dedication to service, partnership, and financial responsibility.
SCH013	In collaboration with the Department, use consistent sources (e.g., web site, press releases, "Dear Partner" letters) to release information promptly about progress toward the PBO, changes to products, and other information.
SCH025	Focus OSFA program reviews on outcome, not process.
SCH027	Develop other means of student aid delivery for schools with good educational programs who lack the ability to acceptably administer federal student aid.
SCH028	Continue to assess oversight penalties appropriate to their impact on federal dollars.
SCH029	Expand the Quality Assurance (QA) program and the experimental site initiatives.
SCH030	Show each institution how its performance compares with similar institutions.
SCH031	Involve schools in determining how OSFA conducts oversight activities.
SCH035	Redouble efforts to work with state licensing and accrediting agencies to develop improved standards to participate in Title IV programs.
SCH036	Develop an OSFA rapid response team of student financial aid program experts working with accrediting agencies, state licensing agencies, GAs, OGC, and the OIG, to quickly stop serious misconduct, administrative problems, or fraud.
SCH039	Create a regulatory reform team that includes staff from schools.

Action #	Description of Action
SCH040	Propose that prescriptive regulations be changed to outcome-based.
SCH041	Perform cost/benefit and impact analysis before regulations are proposed.
SCH043	Hold a monthly "regulation most in need of improvement" contest, eliminate or redo "winning" regulations.
SCH044	Simplify the Direct Loan disbursement and reconciliation processes.
SCH063	Work with the OIG to develop acceptable uses of professional judgement.
SCH064	Encourage schools to use professional judgement to change students' estimated family contribution. Provide guidance in making these changes when schools ask for it.
PAR002	Work with partners to streamline and develop regulations that improve service to students.
PAR011	Build on current initiatives to better use program and financial audits to reduce reliance on program reviews.
PAR012	Improve compliance by expanding the use of oversight staff to do technical assistance and training.
PAR014	Work with GAs to coordinate review of lenders resulting in single, coordinated, program reviews.
PAR016	Develop an awards program for partners in recognition of excellence and positive accomplishments in the administration of federal student aid programs.
PAR017	Create a regulatory reform team that includes ED staff, partners, and other customers.
PAR018	Perform cost/benefit and impact analysis before regulations are proposed.
PAR020	Streamline the claim review regulations so that lenders are measured on their overall default prevention and collection efforts.
PAR021	Hold a monthly "regulation most in need of improvement" contest, and eliminate or redo "winning" regulations.
PAR039	Include all loan consolidation forms on the ed.gov web site. Allow electronic submission of Direct Loan consolidation forms. Update the current version of the loan consolidation application on the ed.gov web site to the latest version.

◆ *Recommendations that may require legislative change*

These recommendations are being referred to the Secretary for consideration.

ACTION #	DESCRIPTION OF ACTION
STU046	Recommend to the Secretary that he seek legislation that would allow borrowers who attended schools that closed prior to 1986 to be eligible to have their loans discharged.
STU049	Offer a voluntary tax refund offset for borrowers in addition to their regular monthly payments.
SCH024	Help schools to develop outcome-based performance plans. These plans will be subject to OSFA approval.
SCH026	Provide incentives to schools who demonstrate exceptional performance, e.g., lessen certain reporting requirements, including frequency of audits.
SCH037	Eliminate unnecessary regulations through a reform effort based on guiding principles, performance standards, common sense, and trust.
SCH038	Propose that all regulations be developed in a spirit of partnership and trust. Continually validate that trust.
SCH042	Set a date for regulatory changes (e.g., July 1) for specific segments to the extent possible.
SCH054	Ask affected schools for their preference on regulatory proposals. Identify the administrative position of the respondent; inform schools of the results. Consider use of the web for receiving comments.
SCH055	In collaboration with the Department, involve schools and test ideas before issuing "Dear Colleague" and "Dear Partner" letters or other guidance.
SCH068	Recommend to the Secretary an expansion of the QA awards program to give awards to schools who demonstrate excellence and positive accomplishments in the administration of student financial aid.

ACTION #	DESCRIPTION OF ACTION

PAR013   Provide incentives to partners who demonstrate exceptional performance, e.g., lessen certain reporting requirements, including frequency of audits.

PAR019   Set a date for regulatory changes (e.g., July 1) for specific customer segments to the extent possible.

PAR049   Give state agencies the option of assigning to ED the tracking of Paul Douglas Scholarship recipients and collecting repayment of the Scholarship if the teaching requirements are not met and the scholarship turns into a loan.

EMP005   Encourage OSFA employees to pursue higher education. Reimburse tuition costs for courses/degree credits.

EMP023   To ensure a productive workforce:

- ❖ Explore ideas for attracting and hiring qualified candidates;
- ❖ Use the probationary period as it was intended to be used — to assess the potential of the person hired; and
- ❖ While ensuring due process and preventing arbitrary and capricious actions against individuals, examine ways to streamline the removal processes for employees and managers who consistently demonstrate an inability or unwillingness to perform.

EMP024   Provide compensation appropriate to employees' duties, responsibilities, and levels of accountability. Get the authority to use expanded personnel flexibilities that could include pay banding, flexible recruiting, and streamlined processes for dealing with poor performers.

EMP040   Make it easy for employees to pursue postsecondary education by letting them work flexible schedules. Consider eliminating core hour restrictions.

EMP041   Let employees select from a menu of non-salary benefits.

ACTION #	DESCRIPTION OF ACTION
EMP043	Abolish time sheets in keeping with a culture of trust. Implement fully electronic exception reporting in lieu of time sheets.
EMP049	Request early out and buy-out authority as a soft landing for employees close to retirement who do not want to continue working in the PBO.

APPENDIX B:
The Role of the OSFA Customer Service Task Force

On the task force we worked very hard, but we also had some fun along the way. In this section we provide background information on the Office of Student Financial Assistance (OSFA) Customer Service Task Force, a brief look at how we operated, and a glimpse of what it was like to be a charter task force member of the first-ever federal Performance-Based Organization (PBO).

◆ *The First Step in Creating a PBO of Tomorrow*

Chief Operating Officer Greg Woods created the OSFA Customer Service Task Force as one of several crucial steps in OSFA's transformation to a PBO. Mr. Woods sent out a call for volunteers and invited all OSFA employees from across the nation to apply. The task force convened in mid-February 1999. Our mission was to develop a bold, comprehensive, and innovative set of recommendations that use best in business practices for increasing customer satisfaction, increasing employee satisfaction, and reducing unit costs. A critical component of this effort was listening to the expressed wants and needs of students, parents, business partners, and employees.

We faced the formidable challenge of forming a high-performance team from a diverse group of OSFA employee volunteers. On February 17, 1999, 48 of us with diverse expertise from all OSFA service areas came together for the first "all hands" task force meeting.

There were 42 OSFA employees: 24 of us came from OSFA Headquarters, 18 were from regional offices throughout the country, and of the 42, five were union-appointed members. Six members represented OSFA contractors: ACS/AFSA, Diversified Collection Services, Inc., EDS, and NCS.

We received support from JBL & Associates, Andersen Consulting, and the Public Strategies Group (PSG).

Chief Operating Officer Greg Woods created the OSFA Customer Service Task Force as one of several crucial steps in OSFA's transformation to a PBO.

◆ *Creating a PBO Think Tank*

During our three-day orientation, we established certain rules of engagement for the duration of the project:

> *"It is OK; this is how we learn."*

> *"Tell the truth – admit mistakes, goofs, and 'just didn't works'."*

> *" 'Clean up' the mistakes."*

> *"Try not to do that again – try something new."*

> And, most importantly, *"What did we learn from the mistake?"*

Task force leadership also advised us, "There are no titles or grade distinctions on this task force; all of these things are to be checked at the door." In that spirit, we decided to transform ourselves into a "mini PBO" at work. We started by:

- ❖ Selecting the team(s) on which we wanted to participate;
- ❖ Selecting our own team leaders; and
- ❖ Operating as self-directed teams.

To show his support, Mr. Woods met with us during our three-day orientation. According to Mr. Woods, there are two types of people in OSFA: people who support customers and those who support people who support customers. Mr. Woods also gave us a charter: "Be bold, be brave!" He continued, "In the PBO, we have an opportunity to build an organization that will rival the best in business...Customers hold government to the same standards as private business, and those standards are high."

After the three-day orientation filled with inspirational readings, guest speakers, brainstorming, and planning, we rolled up our sleeves and went to work – listening to OSFA customers, partners, and employees.

◆ *Consider the Distinct Needs of Customers, Partners, and Employees*

One of our preliminary tasks was to identify the different groups, or "segments," of OSFA customers and stakeholders, and then consider the distinct needs of those segments.

"In the PBO, we have an opportunity to build an organization that will rival the best in business...Customers hold government to the same standards as private business, and those standards are high."
–Greg Woods
Chief Operating Officer

We identified the following customer segments, each with distinct, but not necessarily mutually exclusive, needs:

Students

Borrowers

Schools

Partners

OSFA Employees

After identifying these five segments, we divided ourselves into five teams charged with determining the needs of each segment.

The Student Team solicited feedback on student issues that arise prior to enrolling in a postsecondary program and student aid issues associated with the time the student is in school.

The Borrower Team dealt with borrower issues that concern obtaining and repaying student loans, such as Federal Family Education Loans, Federal Direct Loans, and Federal Perkins Loans.

Figure 19

The Customer Service Task Force organized itself into teams to complete its mission.

The School Team talked to schools about issues related to administering the federal student aid programs on campus and the "partnership" with OSFA.

The Partner Team listened to the concerns of OSFA partners, such as lenders, secondary markets, guarantors, state agencies, community organizations, and contractors, as well as stakeholders.

The Employee Team listened to the issues of concern to OSFA employees from headquarters and regional offices.

In our efforts to get feedback, we asked three questions:

"What works?"

"What doesn't work?"
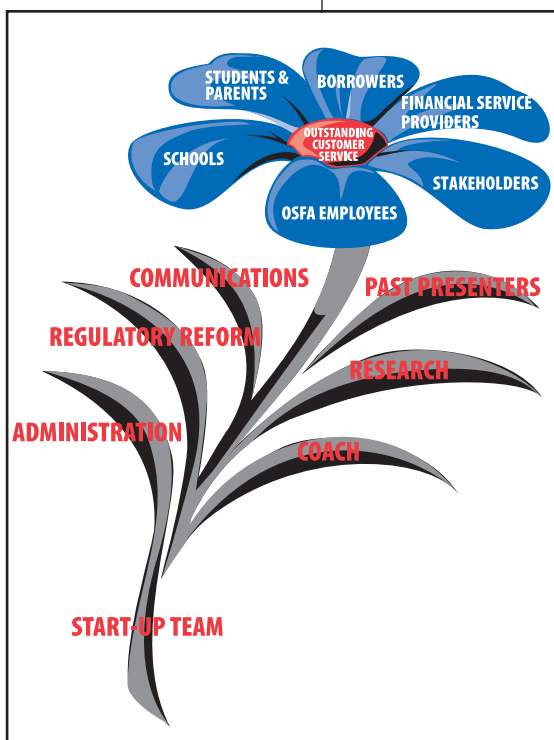
"What would you do differently?"

State	Sessions	Number of Participants
Alabama	6	30
California	14	114
Colorado	10	211
D.C.	52	217
Georgia	14	220
Iowa	10	89
Illinois	18	88
Kansas	4	35
Kentucky	2	10
Massachusetts	4	18
Maryland	10	74
Missouri	3	36
Montana	1	5
New York	23	177
Pennsylvania	9	29
Puerto Rico	4	60
South Carolina	8	111
Tennessee	2	196
Texas	8	75
Virginia	6	60
Washington	10	59
TOTALS	218	1,914

Figure 20

The Customer Service Task Force listened to OSFA's customers.

To obtain this information, we conducted over 200 listening sessions across the country to hear concerns and suggestions from thousands of people touched by the Federal Student Aid Programs.

The listening sessions were critical to the success of our mission. Part of the process entailed capturing the "what works" from all customer segments. *Something* must be working right. After all, OSFA administers programs that distribute over 50 billion dollars in federal student aid each year. From the feedback we received, it became evident that OSFA would be building from a strong foundation of good work.

Figure 20 provides information about the listening sessions we conducted.

◆ *Communicating with the Outside World*

We wanted to reach the widest audience possible to capture as many comments as we could. In addition, we wanted everyone to know what we were hearing, and what we were doing about what we heard. We wanted a completely open process with the greatest possibility of involvement by all interested players.

To accomplish this, we knew that we would need to leverage technology by using the Internet as a means of communication. With that in mind, we formed a sub-team called the Communications Team.

The Communications Team was responsible for informing OSFA customers, employees, and partners about the mission of the task force. The communications team developed and maintained the OSFA Customer Service Task Force web site <**http://www.ed.gov/cstf**> and posted regular updates for the outside world.

The Customer Service Task Force web site also asked visitors for feedback and suggestions, and hundreds of people sent us comments. Through all of these efforts, we received over 8,000 comments and suggestions, and used this input as the basis for the recommendations contained in this report.

Customer Service Task Force
Office of Student Financial Assistance Programs

CSTF

Figure 21

The Customer Service Task Force web site provided a central focus for collecting customer feedback.

◆ *Task Force Members Speak Out*

Serving on the Customer Service Task Force was an incredible experience. If the task force is representative of what life will be like in the PBO, OSFA will be a great place to work. Here's what some of our task force members had to say about being on the task force, what they learned, and their hopes for OSFA:

"*Stephen Blair always managed to make us (the entire task force) laugh even it we didn't want to — we may have been stressed, anxious, or just plain tired, so his comic relief was truly appreciated. That is memorable to me. Dr. Joe, who was on our Partners team, would stop by to tell of one of his corny Texas jokes to interject humor in the midst of serious work. The funny interlude was just the shot of adrenaline we needed.*"

– Deborah Brown

"*For me, the most amazing aspect of being on the task force was to experience first-hand how the commitment, determination, and enthusiasm of forty-eight people can converge into a shared goal. It was powerful.*"

– Melissa Cantrell

"*I learned the concept of having the courage to take risks if one wants to get results to grow, and to change. One has to start somewhere and taking a risk is certainly a good step. Just do it.*"

– Rogelio Carvallo

"Being a member of the task force has been a uniquely satisfying experience. What has impressed me the most has been the dedication, hard work, and enthusiasm of every member of the task force. I strongly believe this never would have been the case but for the dynamic leadership of our director, Stephen Blair. Moreover, the message that came through patently clear in every listening session conducted and in every Internet quote received was that we really need to make changes in how we operate, and we need to do it now!"

– Pat Edelson

"I learned that many of our customers have great ideas about how to improve the delivery of federal student aid, but are often unsure how to communicate those ideas to ED. They assume that our organization is too large and complex to respond to an individual suggestion for improvement. In most instances, they are correct."

– Adam Essex

"If I'm confused about this place, its programs, and processes (and I work here), just think how confusing it must be for someone (like a young potential student or parent) who is just entering the system."

– Barbara Framer

"Teams really can work. A team that's working together and focused on a common goal, where members don't bring their own personal agendas to the table and don't want to go crawl off and hide, 'Just leave me alone and let me do my thing'. If you can get beyond that, you can really accomplish a lot more and you're not stopped by one person not being there one day or something...everything can keep going and you work a lot faster."

– Rich Galloway

"I would like to see the task force provide more far-reaching customer service to the public. The Department does a great job, but I think that because of the public's lack of awareness about the different types of grants, loans, and services we provide, they miss opportunities to continue their education and improve their quality of life. I would like to see the

Customer Service Task Force disseminate that information and have a feedback mechanism in place where we can continue to help the public we are here to serve."

– Lana Gourdine

"There were several spontaneous moments that occurred during our weekly all-hands meetings. Although I don't remember all of the details, I do remember lots of laughing, some dancing, some hugging ..."

– Terry Karpinski

"The greatest insight I've had as a result of my experiences here is that people in government can think outside the box."

– Natanya Levioff

"I think the greatest accomplishment thus far was that it raised the level of awareness on the part of both employees in the higher education community as to the implications of customer service in the delivery of student aid and how much we need to do and how much it is sorely needed and I think that there is a greater awareness of that as a result of the task force existence than there would have otherwise been. Further, we did what we were asked to do, we did it on time, and we did it within budget!"

– Joe McCormick

"The one lesson that I would take back to my office to share with my coworkers would be that change is inevitable. That it is necessary and that we are agents to make it happen."

– Phil Moody

"One thing I heard was that 'people who come from the private sector do not assume that the world is bad. Working with the Department you feel there is always the suspicion that we are up to something'. They think of us a little differently than their colleagues in the private sector. Maybe we ought to try to change that, because we're all essentially after the same thing, and that is to deliver a good product to the students. I detected a real feeling from people in the community

that the task force has made a difference, and they're thinking about OSFA differently than they were six months ago. I hope we somehow leverage that thinking and keep that feeling going. What that means is that we're going to have to continue the work of the task force in some fashion after July 1."

– Tom Pestka

"I'd like to see us upgrade the educational level of all ED employees. Back to school — a college education program for all. In-house customers (employees) need to have the ability to continuously upgrade their intellectual abilities, as well as our external (students and educators) customers, in order to keep the pace balanced."

– Frank Phillips, Jr.

"I think by bringing to fruition all the recommendations related to employee accountability, the task force can improve employee satisfaction. The key is to not just get stuck in the processes, but keep your eye on what the end result is; hence 'performance-based'. I think everything should be performance-based. So, I think in the move towards making our jobs in OSFA performance-based, that things will get better."

– Arva Reeves

"The key to a lot of the changes we're incorporating is having people work in self-directed teams, and not just being under that label, but to actually do the work and not pay attention to one another as to what our grade level is or if we're management, or any other label, but actually a working team. Sometimes decisions take a little longer, but the results you get are a lot more powerful and a lot more feasible than in the old hierarchy. There's more buy-in."

– Lori Rehfeldt

"Given the new PBO status and the presence of a COO who understands and intends to implement an effective organization based on customer service and employee empowerment, we really <u>can</u> expect improvements that will provide us the overall opportunity of improving our services and our employee opportunities. In other words, this is not just another

effort that will go nowhere and not result in change and improvement."

– Rick Reinhardt

"I remember the first days when we came together as a task force. There was an incredible amount of excitement in the air. I felt a great deal of anticipation and exhilaration sitting in a room with OSFA employees from across the country who were about to embark on a journey to change the status quo."

– Dave Rives

"When we asked 'What works?' and the answer was 'Nothing', that's what sticks in my mind the most. Not because it's most true, but because it was the most extreme answer and whenever I think of OSFA and the challenge we face, I think of that comment."

– Jennifer Ryder

"I would really like the task force to help employees see that they are needed by the students and young people that we serve. In order to offer young people hope for the future, we need to be there for them — not only on the job — but with our positive presence within our communities. There are so many young people in our communities and we must all believe that we can help them feel better about themselves and encourage them to have hope for a brighter future. If everyone is not college material, it doesn't mean that they have less worth to our society. Help young people believe in themselves and in the values of others."

– Beverly Stern

"It was interesting to see how the negative attitudes about the CSTF's mission changed. Customers, employees, and partners that didn't believe OSFA listened to, heard, or cared about their ideas could actually see their ideas being recommended for implementation. Unfortunately, the CSTF activities are only the first step, on a very long road, to earning back the trust and respect of the financial aid community."

– Milton Thomas

"The employees of the organization become more unified and more focused on what we're trying to do. In

my current situation, the mission is printed on my mouse pad, and I still can't tell you what it is even though my mouse sits on it everyday. I would like for the accomplishments of the whole organization to be so strong that people would come back and say, 'Gee, those guys did a really good job. They had good ideas.' I hope there are things that people were able to pick up and actually go with. I do not want us to be remembered as another group that came here and spent six months and did nothing."

– Jerry Wallace

"I volunteered for this task force because Title IV aid put me through school, and I think most of us don't spend enough time thinking about the people whose lives we affect. We have a huge impact on individuals and on the nation as a whole. I find the notion that we should be anything but performance-based a little absurd."

– Fred Wynn

APPENDIX C:
List of Acronyms

ACE	American Council on Education
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIO	Chief Information Officer
CO	Contracting Officer
COO	Chief Operating Officer
COTR	Contracting Officer's Technical Representative
CSR	Customer Service Representative
CST	Customer Service Team
CSTF	Customer Service Task Force
DCL	Direct Consolidation Loan
DL	Direct Loan
DCS	Debt Collection Service
DMV	Department of Motor Vehicles
DOD	Department of Defense
DOL	Department of Labor
DUNS	Dun and Bradstreet
DVA	Department of Veterans Affairs
EAP	Employee Assistance Program
EDS	Electronic Data Systems
ED	Education Department
EPA	Environmental Protection Agency
FAA	Financial Aid Administrator
FAO	Financial Aid Officer
FAFSA	Free Application for Federal Student Aid
FFEL	Federal Family Education Loan
GA	Guaranty Agency
GAO	General Accounting Office
GEAR-UP	Gaining Early Awareness and Readiness for Undergraduate Programs
GSA	General Services Administration
HHS	Health and Human Services
ICSA	International Customer Service Association
IDP	Individual Development Plan

IFAP	Information for Financial Aid Professionals
IRS	Internal Revenue Service
ISP	Internet Service Provider
IVRU	Integrated Voice Response Unit
LEP	Limited English Proficient
NASFAA	National Association of Student Financial Aid Administrators
NPR	National Partnership for Reinventing Government
NSLC	National Student Loan Clearinghouse
NSLDS	National Student Loan Data System
OBEMLA	Office of Bilingual Education and Minority Languages Affairs
OESE	Office of Elementary and Secondary Education
OGC	Office of the General Counsel
OIG	Office of Inspector General
OSFA	Office of Student Financial Assistance
OSHA	Occupational and Safety Health Administration
OVAE	Office of Vocational and Adult Education
PBO	Performance-Based Organization
PCT	Partnership Council Teams
PHEAA	Pennsylvania Higher Education Assistance Agency
PIN	Personal Identification Number
PLUS	Parent Loans for Undergraduate Students
PSG	Public Strategies Group
PTA	Parent Teacher Association
QA	Quality Assurance
RFP	Request For Proposal
RFI	Request For Information
SAR	Student Aid Report
SBA	Small Business Administration
SSA	Social Security Administration
TCP	Team Certification Program
TDC	Training and Development Center
TTY	Teletype writer for the deaf
TVA	Tennessee Valley Authority
VA	Veterans Administration
WWW	World Wide Web